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TAGS: [PHUM](#) [SOCI](#) [PGOV](#) [CH](#)
SUBJECT: Civil Society in South China, Part I: Middle
Class Representation

Ref: A) 06 Guangzhou 30534; B) 06 Guangzhou 17422

11. (U) Classified by Consul General Robert Goldberg.
Reason 1.4 (d).

12. (C) SUMMARY AND COMMENT: Urban professionals in Guangdong are becoming more aware of their rights and demanding more independent representation and associations to express their interests. The cities of Guangzhou and Shenzhen now have self-funded, independent business clubs, research institutes, and property owners associations. Most importantly, they have attained a limited amount of influence on government decisions. Such independent civil associations and public policy debate were unheard of a few years ago, and their current existence reflects the wealth and leisure available to the middle class. The groups remain pragmatic and cautious; focusing strictly on local, commercial issues, not uniting across regions. This is the first of two cables on new forms of civil society in South China. END SUMMARY AND COMMENT.

Background: South China's Rising Middle Class

13. (C) This cable focuses on two groups - "Interhoo" and property owners associations - that have formed to represent the interests of South China's growing middle class, particularly in the cities of Guangzhou and Shenzhen. Both of these cities have some of the highest percentages of middle class residents in all of China. In his December article, "Shenzhen's Citizens are Defending their Rights," the New York Times' Howard French describes how Shenzhen's burgeoning middle class is becoming more determined to protect its rights and business interests. The so-called "Shenzhen Spirit" is often characterized as the immigrant's drive for innovation, "frontiersmanship" and improvement of their new surroundings. The symbol of success for these immigrants is the wealthy merchant; in fact, Shenzhen's leading bank is called "Merchant Bank." One of the leaders of this civic activism is the online forum "Interhoo" (yintehu, www.interhoo.com) and its recently formed economic research institute, the Shenzhen Society (formerly called the Shenzhen Merchants Club).
Interhoo's History

14. (C) Congenoffs met with two of the founders of Interhoo, Jin Cheng (protect) and Huang Donghe (protect), both of whom previously worked as business journalists for South China newspapers. Huang also worked for the state-run

Shenzhen Chamber of Commerce, but left to form Interhoo because he considered the Chamber not active enough. (Note: Congenoffs met with another newly-formed Shenzhen Chamber of Commerce, which also split off from the government-run chamber because of dissatisfaction with its lack of activities. End Note). The group started in 2000, originally as a forum where Shenzhen immigrants could learn about the city, meet new people, and offer views about social development. In 2002, the group launched an internet site as a platform for discussions and postings. Some of the more hotly-debated topics have included: merging Hong Kong and Shenzhen into one city, Shenzhen's affiliation with Beijing, and Shenzhen's economic competitiveness. Finally in 2006, Interhoo went from virtual reality to physical organization, with the creation of the Shenzhen Society, an officially-registered NGO. In 2003, the group's website was shutdown because Shenzhen authorities were concerned that articles critical of the government could be easily downloaded off the website. Since then, the website's content has been limited to members with a password.

Staff and Membership

15. (C) Interhoo has about 10 volunteers and one full-time staff member. Jin Cheng estimates there are 6,000 members who have posted comments on the website. Most members are 30-year old, well-educated business professionals, though journalists, academics, and government officials are also invited. In order to become a member, applicants must provide a resume and pass an internal evaluation. Interhoo's membership also includes activists such as Zou Tao (pictured on the group's promotional poster), the businessman turned property rights activist/independent candidate (ref A, B).

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Activities

16. (C) Jin and Huang Donghe are keenly aware of government sensitivities about political topics. They have consciously limited Interhoo's activities to economic issues and, as their website states, to promoting "benign" interaction between government and people. Virtually all of Interhoo's money comes from within the group. This money is used to fund activities such as an annual business summit and economic roundtables between academics and government officials. Additionally, the group is very active in independent economic research about the greater Shenzhen area, some of which has been supported by PRC government funding and Hong Kong groups such as the "One Country Two Systems Society" and the "Foundation for a Better Future". Shenzhen journalists frequently quote Interhoo experts on economic issues as well.

Relations with the Government

17. (C) Huang and Jin are very proud of the influence their society has on some government decisions. Huang listed examples of policy changes, including the use of certain downtown areas of Shenzhen for business development and the creation of a petrochemical investment zone. The best known example of the society's influence was a 2002 article entitled "Shenzhen, By Whom You Were Abandoned," written by another Interhoo founder, Guo Zhongxiao. Guo argued that Shenzhen had lost its competitiveness to Shanghai and Beijing because of slow economic reform and poor infrastructure. The article was selected as Shenzhen's top news story of 2002 and, according to the Nanfang Daily, about 90 percent of Shenzhen's civil servants read the article. The article's notoriety eventually forced Shenzhen Mayor Yu Youjun to publicly seek Guo's advice,

supposedly the first time an article has led to direct dialogue with a city mayor. Jin noted that certain suggestions, such as on fiscal reform, have less resonance because of entrenched government interests.

¶18. (C) Interhoo leaders want their group to become something akin to the British Royal Society. They said they are not seeking international collaboration or outside money. Congenoffs compared their work with the American Rotary and Lions club (the latter of which has a branch in Shenzhen), but the leaders said they found these groups less appealing as a model because of overemphasis on charity work.

Property Owners Associations

¶19. (C) Another important source of civic awareness stems from increased private property ownership. As more and more Chinese citizens buy their own homes and apartments, they become determined to protect their investment and unite with like-minded neighbors, giving rise to property owners associations (yezhu weiyuanhui). Such groups in South China often have monthly meetings and their own websites, such as "yezhu.com.cn" (a pan-Guangzhou website). Some of the largest associations have standing committees with full-time staff and lawyers on retainer. Most of the issues they discuss relate directly to property issues such as garbage collection or city development plans. For example, three housing complexes in Shenzhen recently joined forces and successfully protested a superhighway that would have cut through their neighborhood.

Associations Leading to Democracy?

¶10. (C) Shenzhen University's Huang Weiping, whose Institute of Contemporary Politics researches property associations, said that "owners will do anything they can if their property rights are infringed." Huang has called the situation a "textbook case" of democracy in an urban setting and said they could eventually lead to systemic change. Huang told the South China Morning Post that this is "grass-roots democracy...The more [that] ordinary people in China buy apartments, the more chances we have to improve democracy in China."

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¶11. (C) The Interhoo leaders said they had no direct connection with property owners association. Nevertheless, many of Shenzhen's most famous activists (Zou Tao, Jiang Shan, and Ma Jinhua) all were originally involved with such associations (ref A). Legal activist Tang Jingling has also said he has advised some property groups in Guangzhou on how to petition the government for improved services and he occasionally meets with the associations' lawyers. Nevertheless, the majority of the groups remain apolitical, focusing on their specific economic interests and are unwilling to form broader networks beyond their own city.

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